United Nations S/PV.7988

Security Council

Seventy-second year

Provisional

7988th meeting
Thursday, 29 June 2017, 3 p.m.
New York

President:	Mr. Llorentty Soliz	(Bolivia (Plurinational State of))
Members:	China	Mr. Zhang Dianbin
	Egypt	Mr. Moustafa
	Ethiopia	Mr. Woldegerima
	France	Mr. Delattre
	Italy	Mr. Cardi
	Japan	Mr. Bessho
	Kazakhstan	Mr. Umarov
	Russian Federation	Mr. Safronkov
	Senegal	Mr. Ciss
	Sweden	Mr. Skoog
	Ukraine	Mr. Shutenko
	United Kingdom of Great Britain and Northern Ireland	Mr. Wilson
	United States of America	Mrs. Haley
	Uruguay	Mr. Bermúdez

Agenda

The situation in Libya

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The meeting was called to order at 3.05 p.m.

Adoption of the agenda

The agenda was adopted.

The situation in Libya

The President (*spoke in Spanish*): In accordance with rule 37 of the Council's provisional rules of procedure, I invite the representative of Libya to participate in this meeting.

The Security Council will now begin its consideration of item two of its agenda.

Members of the Council have before them document S/2017/548, which contains the text of a draft resolution submitted by the United Kingdom of Great Britain and Northern Ireland.

The Council is ready to proceed to the vote on the draft resolution before it. I shall put the draft resolution to the vote now.

A vote was taken by show of hands.

In favour:

Bolivia (Plurinational State of), China, Egypt, Ethiopia, France, Italy, Japan, Kazakhstan, Russian Federation, Senegal, Sweden, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America and Uruguay

The President (*spoke in Spanish*): The draft resolution received 15 votes in favour. The draft resolution has been adopted unanimously as resolution 2362 (2017).

I shall now give the floor to those members of the Council who wish to make statements following the voting.

Mr. Moustafa (Egypt) (*spoke in Arabic*): Egypt voted in favour of resolution 2362 (2017). My delegation would like to make the following comments.

First, in connection with enforcing the ban on the illicit exports of oil and oil products, the parties concerned should depend upon sound information in order to avoid any diversion. That should be a precondition before the Sanctions Committee takes any measures.

Secondly, in relation to the breifing submitted by the Libyan focal point regarding the arms embargo according to paragraph 6 of resolution 2278 (2016), we expect a response to the additional inquiries that might be submitted by the Sanctions Committee on the contents of that briefing.

Thirdly, with regard to the general political and security situation in Libya, we welcome the appointment of Mr. Ghassan Salamé as the Special Representative of the Secretary-General to Libya. We are completely ready to cooperate closely with him for the success of his mission. In that regard, we would like to refer to the importance of sparing no effort and quickly convening the meeting of the committee made up of members of Parliament and the High Council of the State to ammend the political framework, which is the only way towards a settlement in Libya. In that vein, Egypt emphasizes that, according to the Libyan Political Agreement, the Parliament remains the only body mandated to endorse any ammendments that are to be introduced to the Agreement, and it is the body that is in charge of adopting any new configurations of the Government of National Accord.

Furthermore, I would like to reiterate that it is important to lift the embargo imposed on the supply of arms to the Libyan national army, as that is the only entity with the mandate to counter terrorism in Libya. It should serve as the nucleus for any Libyan armed forces that are to be constituted in Libya in the future.

In conclusion, we hope that 2017 will be the year of the restoration of peace and stability to our sisterly country Libya.

Mr. Wilson (United Kingdom): The United Kingdom welcomes the Security Council's unanimous agreement on the technical rollover of United Nations Libya sanctions. In particular, we welcome the fact that the Council has decided has decided to extend the measures against illicit oil exports to include other types of petroleum, to help address a significant problem. Libya's Attorney General has said that the smuggling of fuel has cost Libya LD500 million Libyan dinars, which is nearly $370 million. It is absolutely right that the Council has acted to address that issue.

We have also heard a legitimate concern on the part of the Government of National Accord regarding the risk that assets frozen under sanctions can depreciate in value. We agree that further work needs to be done on that issue. But the United Kingdom continues to think that Libya's resources must be preserved and protected for the benefit of the Libyan people, in line

with paragraph 12 of resolution 2362 (2017), which we adopted today. Sanctions remain an important tool for the Council in our work to support the Government of National Accord and to stabilize Libya. However, they can ever be only one part of the solution, which requires full political reconciliation.

We reiterate our support to the Presidency Council and the Government of National Accord, headed by Prime Minister Serraj, as the legitimate executive authorities under the Libyan Political Agreement, in line with resolution 2259 (2015). We therefore welcome the briefing provided to the Sanctions Committee on the security forces under the control of the Government of National Accord. We continue to encourage the Council to take a supportive approach to arms embargo exemption requests in order to provide essential assistance to the humanitarian and stabilization efforts.

It is important that all Member States cease supporting parallel institutions and groups that are acting outside of the authority of the internationally recognized Government. The Council needs to be ready to take swift action against spoilers who continue to obstruct the peace, stability and security in Libya, including parallel institutions. We condemn those responsible for the attack yesterday on a convoy of the United Nations Support Mission in Libya.

We continue to support all efforts to reach a more inclusive political settlement within the framework of the Libyan Political Agreement. We welcome the appointment of new Special Representative Ghassan Salamé, which is an opportunity to build real momentum towards that goal. We will continue to work with the Presidency Council and the Government of National Accord to support their efforts to deliver for the people of Libya.

The President (*spoke in Spanish*): I now give the floor to the representative of Libya.

Mr. Elmajerbi (Libya) (*spoke in Arabic*): At the outset, I would like to thank you, Sir, for giving me this opportunity to speak following the adoption of resolution 2362 (2017), in relation to the renewal of the sanctions regime initiated in 2011. In that context, I take this opportunity to welcome the appointment of Mr. Ghassan Salamé as the Special Representative of the Secretary-General and Head of the United Nations Support Mission in Libya and to wish him every success in achieving consensus among the Libyan parties in implementing the Libyan Political Agreement in such a way as to ensure the establishment of security and stability and the strengthening of institutions. I also thank Mr. Martin Kobler for his efforts as the Special Representative of the Secretary-General.

With respect to the resolution just adopted, I welcome certain paragraphs related to the renewal of the mandate of the Panel of Experts and the paragraph related to the prevention of illicit oil exports and refined oil products. However I express my country's deepest regret and huge disappointment that the resolution ignores the amendment of the sanctions regime related to the Libyan Investment Authority, which is incurring substantial losses due to this regime, in accordance with resolutions 1970 (2011), 1973 (2011) and 2009 (2011), which stipulate an assets freeze of the Libyan Investment Authority and which were formulated without considering the potential long-term effects of those resolutions on the actual value of assets. Under those resolutions, the assets freeze of the Libyan Investment Authority has caused its portfolio and related entities great financial loss, equal to more than $1 billion annually, according to the calculations and estimates of the Authority. Those losses are unjustified and, in certain cases, have enriched foreign financial institutions that are considered to be the custodians of those assets, at the expense of the Libyan people. If that is not immediately and definitively addressed, it will eventually lead to the erosion of all of the resources of the Libyan Investment Authority.

Our disappointment and deep regret regarding the resolution's failure to amend the sanctions regime related to frozen assets are due to the fact that we notified the Security Council, both formally and informally, more than one year ago, about the extent of the catastrophe threatening the frozen assets. We requested that certain amendments should be introduced in order to improve the management of the frozen assets and to avoid the continuous depreciation that is afflicting the same since 2011. However, all of our requests have fallen on deaf ears. I would refer to those requests briefly, as follows.

First, we formally informed the Security Council of the huge loss to those assets through a letter from the Permanent Mission of Libya to the United Nations, on 21 March 2016 (S/2016/275). The letter also included a suggestion of paragraphs to be included in the sanctions regime. However our fair and logical requests were totally ignored. The Security Council adopted resolution 2278 (2016) without those amendments.

Secondly, in the same letter we referred to the report of the Panel of Experts on Libya (see S/2016/209) submitted to the Security Council on 3 March 2016, which addressed the issue. Paragraph 257 of the report states:

> "It was clearly not the aim of the Security Council that the investments should be diminished, meaning that this matter needs to be clarified, preferably by including an explicit exemption for fund management in a future resolution".

Recommendation 8 provides:

> "[t]o explicitly allow and encourage the reinvestment of assets frozen under the measures, in consultation with the Government of Libya, in order to protect the value of investments of designated individuals and entities."

However, despite the explicit and clear recommendation on the part of the Panel of Experts, the Security Council has taken no steps to amend the sanctions regime, a matter that is causing the ongoing depreciation of the assets and funds of the Libyan people.

Thirdly, during the past year and before the adoption of resolution 2278 (2016), a team from the Permanent Mission of Libya, in coordination with a number of experts from the Libyan Investment Authority, has provided explanatory notes regarding all of the adverse effects and impacts on the frozen assets. This occurred in bilateral meetings with members of the Security Council, during which the team also proposed certain minor amendments to the sanctions regime to improve management of frozen assets.

Fourthly, a team from the Permanent Mission of Libya and experts from the Libyan Investment Authority have convened a number of meetings with the members of the Security Council since the beginning of 2017, with the aim of reminding members and the Chair of the Committee established pursuant to resolution 1970 (2011) of the continuous attrition of Libya's assets due to the sanctions imposed since 2011, with the hope that the issue would be taken into consideration in the draft resolution to be adopted in July. Unfortunately, today we were surprised to find that resolution 2362 (2017) was adopted under a silence procedure during a holiday without consulting the Libyan Mission and with no regard to our fair requests for amending the sanctions regime or to our correspondence related to this issue.

Fifthly, in our 7 June statement (see S/PV.7961) we alluded explicitly to the losses sustained by our frozen assets and reminded the Council of the severity of the problem. We also noted that, when the assets freeze was introduced, it was not meant to punish Libya, but rather as a precautionary measure against the misuse and waste of those assets during the revolution and the transitional period after the fall of the previous regime. We asserted that the Libyan authorities were not requesting that the assets freeze be lifted but simply that its funds be deposited in certain accounts or reinvested, and that accounts be allowed to be opened or closed. However, most unfortunately, our request once again fell on deaf ears.

Sixthly, a new letter on that issue was submitted to the President of the Security Council on 26 June by the Permanent Mission of Libya to the United Nations in order to remind the Council of the heavy losses incurred since 2011 due to the sanctions regime. We requested swift intervention and amendments to the sanctions renewal resolution, citing paragraph 11 of resolution 2278 (2016) regarding the assets freeze, and which refers to the Council taking note of the letter from Libyan Mission circulated as document S/2016/275 . That paragraph

> "affirms the Security Council's readiness to consider changes, when appropriate, to the asset freeze at the request of the Government of National Accord".

We affirmed that this is a formal request made by the Government of National Accord.

We also submitted a letter from His Excellency Mr. Fayiz al-Sarraj, head of the Presidency Council of the Government of National Accord, requesting that the Council take speedy and immediate action to put an end to the decline and erosion in assets of the Libyan people, originally allocated for the future generations. However, and this is very unfortunate, the Council did not heed either letter despite the fact that they were both submitted before the silence procedure. The letter from the Mission was circulated before the deadline, but the letter from the head of the Presidency Council of the Government of National Accord was not circulated until after the silence procedure had ended. Additionally, and this is very unfortunate, no Council member moved to extend the consultation period — not even for a few days — in order to review and consider

both letters before the final drafting of resolution 2363 (2017) to extend the sanctions regime.

Accordingly, my delegation was astonished by this repeated and deliberate ignoring of its fair, essential and urgent request for amending the sanctions regime related to frozen assets, which was intended not as punishment but as a precautionary measure to preserve and protect the assets from being wasted during the transitional period. The current situation runs totally counter to the primary objective for which the assets freeze was imposed. It is a huge waste of the wealth of the Libyan people in the very difficult conditions under which they are living.

While introducing those facts and our urgent and necessary request to the Council today, I would like to remind the Council of its ethical, legal and professional responsibility to put an end to the losses and depreciation, which could well totally eliminate the assets belonging to the sovereign wealth fund of the Libyan people if the sanctions regime, which has been in place since 2011, is maintained. I would also remind the Council of its repeated assurance, through resolutions and statements related to the Libyan situation, that it is eager to help Libya and protect its resources. In that regard, let me ask: Is there any assistance greater or more important than amending the sanctions regime to safeguard the wealth of Libyan people?

After more than a year since our initial alert to the Council of this disastrous situation, which the Council did has taken no action to address and which has caused the frozen assets additional losses of more than $1 billion during the past year, I reiterate the official request of the Presidency Council that the sanctions regime regarding assets freeze be amended as soon as possible in order to save the remaining assets and funds belonging to the Libyan Investment Authority. There is no justification whatsoever for ignoring our fair, urgent and necessary request. We stand ready to cooperate with the experts from the Libyan Investment Authority to provide the Council with explanations and to respond to all inquiries, leading to the expedited amendment of the sanctions regime regarding the frozen assets. The Council should therefore adopt a draft resolution to address this problem and to end the loss and avoiding further loss.

In conclusion, we are confident that our fair, urgent and repeated request to amend the sanctions regime will be considered positively by the Council so as to allow the regime to attain its goal of protecting and preserving the frozen assets the Libyan people.

The meeting rose at 3.25 p.m.